
YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SALT LAKE CITY

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

CONTENTS

	<u>PAGE</u>
• Independent Auditors' Report	1
• Consolidated Statement of Financial Position	2
• Consolidated Statement of Activities and Change in Net Assets	3
• Consolidated Statement of Functional Expenses	4
• Consolidated Statement of Cash Flows	5
• Notes to Consolidated Financial Statements	6-16
• Supplemental Consolidating Schedule of Financial Position	18
• Supplemental Consolidating Schedule of Activities and Change in Net Assets	19
• Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2009	20-23
• Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	24-25
• Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	26-27
• Schedule of Findings and Questioned Costs	28-29
• Schedule of Prior Audit Findings	30

► Lake, Hill & Myers

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

6695 South 1300 East
Salt Lake City, Utah 84121
Voice: (801) 947-7500 Fax: (801) 947-7609

INDEPENDENT AUDITORS' REPORT

October 27, 2009

To the Board of Directors of
Young Women's Christian Association of Salt Lake City

We have audited the accompanying consolidated statement of financial position of the Young Women's Christian Association of Salt Lake City (a nonprofit organization) as of June 30, 2009, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Young Women's Christian Association of Salt Lake City as of June 30, 2009, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2009 on our consideration of the Young Women's Christian Association of Salt Lake City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental consolidating schedule of financial position and consolidating schedule of activities and change in net assets on pages 18-19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 20-23 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lake, Hill & Myers

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 817,149
Receivables	
Grants and contracts	160,149
Rents and other receivables	22,999
Unconditional promises to give	1,851,198
Prepaid expenses	54,905
TOTAL CURRENT ASSETS	<u>2,906,400</u>

PROPERTY AND EQUIPMENT, net	<u>8,966,968</u>
-----------------------------	------------------

OTHER ASSETS

Long-term unconditional promises to give	1,633,602
Long-term investments	3,442,311
Debt issuance costs, net	780,578
Cash restricted for property and equipment	10,564,667
Restricted tenant security deposits and replacement reserve escrow	36,527
TOTAL OTHER ASSETS	<u>16,457,685</u>

TOTAL ASSETS	<u><u>\$ 28,331,053</u></u>
---------------------	-----------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 509,564
Accrued liabilities	199,497
Line of credit	74,950
Unearned revenue	12,159
Current portion of long-term debt	2,400
TOTAL CURRENT LIABILITIES	<u>798,570</u>

TENANT SECURITY DEPOSITS	<u>7,620</u>
---------------------------------	--------------

LONG-TERM DEBT

Long-term notes payable	5,439,950
Accrued loan interest	32,437
TOTAL LONG-TERM DEBT	<u>5,472,387</u>

TOTAL LIABILITIES	<u>6,278,577</u>
--------------------------	------------------

MINORITY INTEREST IN AFFILIATE	<u>348,766</u>
---------------------------------------	----------------

NET ASSETS

Unrestricted	
Undesignated	729,216
Property and equipment	6,186,627
Board designated	79,790
Donor restricted	
Temporarily	14,389,214
Permanently	318,863
TOTAL NET ASSETS	<u>21,703,710</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 28,331,053</u></u>
---	-----------------------------

See notes to consolidated financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

Year ended June 30, 2009

SUPPORT, REVENUES, AND GAINS (LOSSES)	
Contributions	\$ 276,191
In-kind contributions	226,218
Government grants	1,537,469
Program service fees	348,634
Special events (less direct benefits to donors of \$72,168)	292,492
Loss on long-term investments	(225,791)
Membership dues	9,295
Rents and other revenue	354,207
Interest income	30,417
TOTAL SUPPORT, REVENUES AND GAINS (LOSSES)	2,849,132
NET ASSETS RELEASED FROM RESTRICTIONS	1,465,945
TOTAL SUPPORT, REVENUES AND GAINS (LOSSES) AND NET ASSETS RELEASED FROM RESTRICTIONS	4,315,077
EXPENSES	
Women in Jeopardy	957,791
Lolie Eccles Child Care Center	577,977
Residential Self-Sufficiency	228,776
Diversity	128,918
KRH Supportive Services	323,091
The Critchlow	279,430
Teen Home	411,616
Prevention Education	149,910
Children's Advocacy and Intervention	462,978
Family Justice Center and Safe at Home Coalition	213,403
YWBuilding Hope	80,732
Management and general	278,049
Fundraising	312,129
TOTAL EXPENSES	4,404,800
DECREASE IN UNRESTRICTED NET ASSETS BEFORE MINORITY INTEREST	(89,723)
MINORITY INTEREST IN AFFILIATE'S LOSS	91,702
INCREASE IN UNRESTRICTED NET ASSETS	1,979
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	
Contributions	812,182
Capital campaign contributions, less discounts	553,344
Income on long-term investments	204,438
Net assets released from restrictions	(1,465,945)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	104,019
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS	
Contributions	80,000
CHANGE IN NET ASSETS	185,998
NET ASSETS, BEGINNING OF YEAR	21,517,712
NET ASSETS, END OF YEAR	\$ 21,703,710

See notes to consolidated financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2009

	Program Services										Supporting Services				
	Women In Jeopardy	Lois Eccles Child Care Center	Residential Self-Sufficiency	Diversity	KRH Supportive Services	The Critchlow	Teen Home	Prevention Education	Children's Advocacy and Intervention	Family Justice Center and Safe at Home Coalition	YW Building Hope	Total Program Services	Management and general	Fundraising	Total
Salaries	\$ 543,349	\$ 392,476	\$ 108,914	\$ 77,414	\$ 245,525	\$ -	\$ 246,504	\$ 99,952	\$ 274,914	\$ 126,945	\$ -	\$ 2,115,993	\$ 128,930	\$ 219,854	\$ 2,464,777
Benefits and payroll taxes	99,869	79,861	26,703	17,535	52,984	-	42,283	21,644	61,678	23,302	-	425,859	21,906	37,703	485,468
Total salaries and related expenses	643,218	472,337	135,617	94,949	298,509	0	288,787	121,595	336,592	150,247	-	2,541,852	150,836	257,557	2,950,245
Professional fees	7,235	5,296	1,470	1,093	852	4,826	3,295	1,469	7,649	22,341	7,900	63,456	30,322	1,703	95,481
Computer fees	6,003	2,295	1,113	541	1,694	218	2,327	639	2,428	1,602	-	18,860	4,619	3,874	27,353
Supplies	8,369	7,785	3,782	449	699	9,005	1,654	2,541	5,499	4,151	921	44,845	3,120	2,167	50,132
Food	18,058	17,655	12,622	-	172	-	6,086	-	18,303	-	-	72,896	1,040	50	73,986
Client assistance	16,976	29	1,164	489	3,552	-	28,575	20	2,703	1,187	-	54,295	-	-	54,295
Activities	643	229	70	-	192	-	808	4,313	3,790	-	-	10,045	-	462	10,507
Postage and shipping	452	25	89	60	129	267	224	89	28	23	20	1,406	2,369	7,911	11,688
Printing	150	40	-	-	40	-	40	2,030	160	2,189	-	4,658	377	18,589	23,624
Telephone	5,783	2,631	2,512	319	793	2,971	2,857	477	713	1,346	-	20,402	3,544	1,134	25,080
Utilities	26,945	7,769	10,733	619	-	26,967	6,335	2,440	17,009	3,055	-	101,872	2,440	619	104,931
Repairs and maintenance	24,655	11,364	15,719	1,002	73	32,879	8,874	882	5,145	1,919	-	102,512	1,529	842	104,863
Equipment rental and repair	2,868	1,245	435	170	166	-	1,590	921	895	465	-	8,755	3,120	2,587	14,462
Furnishings	-	-	-	-	-	7,039	-	-	-	-	-	7,039	-	-	7,039
Insurance	13,424	4,048	7,197	489	908	16,709	7,212	769	9,052	1,141	30,727	91,686	5,767	635	98,088
Transportation	199	-	-	252	141	-	826	4,233	588	645	-	6,884	3,922	94	10,900
Conferences and training	914	1,540	110	129	329	1,687	590	1,335	1,230	3,265	-	11,119	10,913	581	22,613
Regional YWCA dues	-	-	-	-	-	-	-	-	-	-	-	-	31,364	-	31,364
Bank & investment fees	-	2,119	-	-	9,554	43	-	-	-	-	40,433	52,149	11,418	5,444	69,011
Payroll processing fees	1,816	3,098	214	214	534	-	1,603	534	855	320	-	9,188	962	534	10,684
Dues and subscriptions	-	50	-	-	-	-	2	-	37	55	731	875	1,280	-	2,155
Building security	-	-	-	-	-	9,766	-	-	-	-	-	9,796	-	-	9,796
Employee/Volunteer Recruitment	296	48	3	3	3	77	77	119	33	37	-	619	57	188	864
Property taxes	2,585	-	775	775	-	12,933	-	-	775	-	-	17,743	258	-	18,001
Interest expense	12,918	-	3,875	3,875	-	3,400	-	-	3,875	-	-	27,943	1,292	-	29,235
Board expenses	-	-	-	-	-	-	-	-	-	-	-	-	900	-	900
Miscellaneous expenses	404	828	706	175	49	1,159	316	914	300	362	-	5,213	1,920	389	7,532
Bad debt expense	-	5,104	1,706	-	-	3,632	-	-	-	-	-	10,442	-	1,289	11,741
Total expenses before in-kind and depreciation	793,501	545,595	199,912	105,603	318,399	133,431	362,068	145,351	417,669	194,359	80,732	3,296,550	273,369	306,669	3,876,598
In-kind expense	109,692	12,943	12,485	10,055	4,702	-	30,829	1,439	29,709	14,354	-	226,218	-	-	226,218
Depreciation	54,598	19,499	16,379	13,260	-	145,999	18,719	3,120	15,600	4,680	-	291,854	4,680	5,460	301,994
Total functional expenses	\$ 957,791	\$ 577,977	\$ 228,776	\$ 128,918	\$ 323,091	\$ 279,430	\$ 411,616	\$ 149,910	\$ 462,978	\$ 213,403	\$ 80,732	\$ 3,814,622	\$ 278,049	\$ 312,129	\$ 4,404,800

See notes to consolidated financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 185,998
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Minority interest	(91,702)
Depreciation	301,994
Amortization of debt issuance costs	65,468
Discount on long-term promises to give	(243,632)
Unrealized losses on investments	264,772
Decrease (increase) in operating assets:	
Unconditional promises to give	(425,568)
Grant contracts and other receivables	(3,312)
Prepaid expenses	(8,032)
Increase (decrease) in operating liabilities:	
Accounts payable	401,901
Accrued liabilities	6,794
Security deposits	126
Accrued loan interest	2,800
Unearned revenue	2,875

NET CASH FLOWS FROM OPERATING ACTIVITIES

460,482

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments, net	(2,249,393)
Increase in cash restricted for property and equipment, net	(10,564,667)
Reduction in tenant security deposits and replacement reserve escrow	413
Purchase of property and equipment	(2,131,831)

NET CASH FLOWS USED IN INVESTING ACTIVITIES

(14,945,478)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of long-term debt	(2,350)
Proceeds from line of credit	74,950
Proceeds from long-term debt	4,569,500
Increase in debt issuance costs	(846,046)
Payments of unconditional promises to give	2,898,698

NET CASH FLOWS FROM FINANCING ACTIVITIES

6,694,752

NET DECREASE IN CASH

(7,790,244)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

8,607,393

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 817,149

SUPPLEMENTAL CASH FLOW INFORMATION:

Interest paid	<u>\$ 26,435</u>
---------------	------------------

See notes to consolidated financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Operational purpose

The Young Women's Christian Association of Salt Lake City (the Organization) is a private, non-profit 501(c)(3) organization that is supported primarily through private contributions, government grants, the United Way and program fees. The Organization provides programs and services that are consistent with its mission of empowering women and girls, and eliminating racism as follows:

Women in Jeopardy: shelter with supportive services for women and children who are victims of domestic violence.

Lolie Eccles Child Care Center: licensed childcare for resident and community children.

Residential Self-Sufficiency: transitional housing and supportive services for homeless women without dependent children.

Diversity: multilingual and multicultural staff assist women and children with case management, crisis intervention, advocacy, information and referral to community resources, presentations, and psycho-educational groups.

KRH Supportive Services: supportive services to mothers and children living in the Kathleen Robison Huntsman Apartments (KRH).

The Critchlow: provides low-income housing at the KRH for mothers and children who are survivors of domestic violence.

Teen Home: residential facility with supportive services for pregnant and parenting teens and their babies.

Prevention Education: psycho-educational classes, outreach and community education for at-risk adults, teens and teen parents.

Children's Advocacy and Intervention: advocacy and intervention services to children in residence who have been exposed to violence.

Family Justice Center and Safe at Home Coalition: a collaborative project, funded by the Office of Justice Programs, with courts, prosecutors, police departments, state agencies, advocates, and others designed to strengthen the safety of domestic violence victims and to enhance offender accountability.

YWBuilding Hope: crisis shelter and residence for women and children experiencing family violence, which is currently under construction.

Financial statement presentation

The accompanying consolidated financial statements include the accounts and operations of the Organization, the Critchlow, LLC (the Critchlow), a limited liability company, and YWBuilding Hope QALICB (YWBuilding Hope), a non-profit 501(c)(2) organization. These entities are collectively referred to as the "YWCA". The entities share a governing board and the economic interests of the entities are inter-related. All intercompany balances and transactions have been eliminated from these consolidated financial statements.

The consolidated financial statements of the YWCA have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The YWCA follows accounting principles generally accepted in the United States of America for nonprofit organizations and reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted - accounts for unrestricted assets (net of related liabilities) available for support of the YWCA's operations. Assets designated by the Board of Directors for a specific purpose also are accounted for in this fund.

Temporarily restricted - accounts for net assets that are subject to specific donor imposed restrictions contingent upon a future event or to a specific passage of time before the assets may be utilized.

Permanently restricted - accounts for gifts requiring in perpetuity that the principal be invested and the income only be used. Realized and unrealized gains and losses are recorded in the statement of activities and change in net assets as changes to unrestricted net assets.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand and highly liquid investments with maturities of three months or less. Restricted cash is not considered a cash equivalent. Long-term restricted cash related to capital projects is not considered a cash equivalent.

Property and equipment

Acquisitions of property and equipment in excess of \$500 and all expenditures for repairs and maintenance that materially prolong the useful lives of assets are capitalized. Land, buildings, and equipment are stated at cost less accumulated depreciation, or if acquired by gift, at estimated fair value at the date of the gift. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of activities and change in net assets for the period. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful lives</u>
Buildings and improvements	5 - 40 years
Equipment and furniture	3 - 15 years
Apartment furnishings	2 - 5 years

Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

Long-lived assets

The YWCA reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as measured by a comparison of estimated future cash flows (undiscounted and without interest charges) to the carrying value of the asset. Assets held for sale are written down to their fair value, less cost to sell. No impairments related to long-lived assets were recognized during the year ended June 30, 2009.

Rental income and tenant receivables

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All tenant leases are operating leases. An allowance for losses on tenant receivables is estimated based on the age of the receivable after the tenant vacates the unit.

Receivables and unconditional promises to give

Accounts receivable and unconditional promises to give are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. The YWCA estimates an appropriate allowance for uncollectible accounts based on historical experience. Amounts due later than one year are recorded at the present value of estimated future cash flows using a risk-free interest rate.

Contributions and in-kind donations

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. If there are donor restrictions, the contribution is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and change in net assets as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair market value. These donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as temporarily restricted support and reclassified to unrestricted net assets when placed in service.

The Organization also receives donated food, supplies, and other expendable items for use in its programs. These contributions are recorded in the financial statements at their estimated fair value and totaled approximately \$226,000 for the year ended June 30, 2009.

Contracts and grants

The Organization receives substantial funding through federal, state, and other grants and contracts. The majority of these grants and contracts operate on a cost reimbursement basis. Generally, accounts receivable and the related revenues are recorded when the applicable expenses to grant awards have been incurred.

Investments and fair value measurements

Investments are recorded at their fair value at year end with any unrealized gains or losses reflected in the statement of activities and change in net assets as part of investment gain (loss).

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The YWCA holds investments that are measured at fair value on an annual basis. GAAP establishes a three-level hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The YWCA's investments are all valued using the highest level of observable inputs, Level 1. Level 1 inputs are valued using the valuation methodology of quoted prices (unadjusted) for an identical asset or liability in an active market. The YWCA does not have any other assets or liabilities that are required to be valued at fair value on a recurring basis.

Endowment investment policy and objectives

The basic objectives of the Organization's endowment investment program are, in order of priority:

- Safety and preservation of the invested funds
- Liquidity of investments sufficient to meet current needs
- Optimum net returns while diversifying risk
- Fiduciary control of all investments

The endowment fund is intended to provide long-term support for the Organization. Composed of restricted contributions, the principal is inviolate; however, the Board of Directors has established policies for the use of the income as follows: up to half of the earnings from the endowment investment funds can be used for operations if the total market value of the funds, excluding any contributions, additions and withdrawals initiated by the Organization, is at least 4 percent higher than the preceding June 30th market value.

Unearned revenue

The YWCA receives payments in advance for memberships and registrations, the unearned portion of which is deferred and classified as unearned revenue.

Functional allocation of expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the applicable functional area. Also included in program services are costs associated with the management and operation of the Critchlow, a low-income housing project.

Indirect costs are charged to programs and supporting services based on estimates made by management taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the YWCA.

Income taxes

The Organization is a qualified charitable organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and YWBuilding Hope is a qualified charitable organization under Section 501(c)(2) of the IRC; therefore, they are not subject to federal income taxes in connection with their charitable activities. The Critchlow is a limited liability company. As such, the tax effects of the Critchlow's activities accrue directly to its members and no tax provision is recorded in the accompanying consolidated financial statements. The YWCA believes it does not have and has not recorded a liability for any uncertain tax positions.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

Management has made an evaluation of subsequent events through October 27, 2009, the date on which the financial statements were available to be issued. Management has not identified any subsequent events requiring disclosure.

Prior period adjustment

An adjustment was made to increase temporarily restricted net assets at June 30, 2008, by \$380,000, resulting from a reclassification of prior deferred grants.

NOTE 2 - LOW-INCOME HOUSING PROJECT:

KRH is a 36-unit apartment complex, owned by the Critchlow, LLC, first occupied in January 1998. The Critchlow provides low-income housing for mothers and children who are survivors of domestic abuse. Critchlow is operating as a limited liability company under Utah laws and regulations. The Organization is the managing member and holds a 1 percent interest in the Critchlow, and a bank holds a 99 percent investor member interest.

KRH has qualified and has been allocated low income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of KRH as to occupant eligibility and unit gross rent, among other requirements. The KRH project must meet the provisions of these regulations during each of fifteen consecutive years beginning in 1998, in order to qualify to receive the tax credits. The tax credits were received by the investor member over a ten-year period, which ended December 31, 2007. In January 1998, the Organization assumed responsibility for case management and other supportive service for the KRH residents. In April 2003, the Organization assumed the responsibility for maintenance and the financial management of KRH. In January 2004, the Organization assumed responsibility for the property management of KRH. This resulted in the addition of personnel to support the KRH project and added oversight responsibilities for Organization employees.

NOTE 3 - NEW MARKETS TAX CREDIT PROJECT:

In connection with the Organization's efforts to build a new crisis shelter and residence for women and children experiencing family violence, the Organization has partnered with Enterprise Community Investment, Inc. (Enterprise) and has obtained additional funding by utilizing the New Markets Tax Credit Program (NMTC). As part of the process to obtain NMTC funding, the Organization formed YWBuilding Hope, of which the Organization is the sole member. YWBuilding Hope, a non-profit corporation, was formed on November 13, 2008.

The NMTC permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

YWBuilding Hope has recorded long-term debt payable to ESIC New Markets Partners XXXIX, L.P., of \$4,569,500 at June 30, 2009, in connection with the NMTC project (see Note 9).

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE:

In 2005 the Organization launched the Centennial Capital Campaign to raise funds to construct a new crisis shelter, residence for women and children, and a confidential walk-in center for families experiencing family violence (See Note 3). As of June 30, 2009 over \$14,216,000 has been received or pledged from individual, corporate and foundation donors for the new construction.

In 2007 the Organization began fundraising for the Legacy Bridge Endowment fund. The Organization is seeking one hundred charitable gifts of \$10,000 each to create an endowment. The earnings from the endowment investments will be used to support and sustain the YWCA operations.

Unconditional promises to give due in more than one year are reflected at the present value of the estimated future cash flows using risk-free interest rates ranging from 4.90 to 5.16 percent. Unconditional promises to give consist of the following at June 30, 2009:

Capital campaign pledges, net of unamortized discount and allowance of \$171,915	\$3,060,301
United Way allocations and designations for July 1, 2009 to June 30, 2010	377,247
Legacy Bridge endowment pledges	39,433
Pledges receivable, Rise & Shine Breakfast, and Leader Luncheon, net of allowance of \$3,110	7,819
	<u>\$3,484,800</u>

Amounts due in years ending June 30.

2010	\$1,851,198
2011	783,520
2012	840,982
2013	4,100
2014	<u>5,000</u>
	<u>\$3,484,800</u>

NOTE 5 - CONDITIONAL PROMISE TO GIVE:

The Organization received a conditional promise to give related to the Centennial Capital Campaign (see Note 4) during the year ended June 30, 2009. A foundation promised to give \$500,000 if the Organization raises its challenge capital campaign goal to raise an additional \$1,247,604 by September 30, 2010. The Organization expects to meet the provisions of the conditional pledge by the established deadline and will record the promise to give when the conditions are fully satisfied.

NOTE 6 - PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at June 30, 2009:

Land	\$ 1,671,064
Buildings and improvements	8,244,491
Construction in progress	2,376,851
Equipment	949,334
Furnishings	<u>27,400</u>
	13,269,140
Accumulated depreciation	<u>(4,302,172)</u>
	<u>\$ 8,966,968</u>

Depreciation expense totaled \$301,994 for the year ended June 30, 2009.

Included in construction in progress at June 30, 2009, is \$129,370 of capitalized interest and \$65,468 of capitalized debt issuance costs.

NOTE 7 - INVESTMENTS:

Investments, carried at fair value, consist of the following at June 30, 2009:

	<u>Cost</u>	<u>Fair value</u>
Cash	\$2,286,241	\$2,286,241
Common stocks	813,763	684,846
Bonds/Fixed income securities	3,340	2,144
U.S. Government securities	340,676	355,600
Mutual funds	<u>157,086</u>	<u>113,480</u>
	<u>\$3,601,106</u>	<u>\$3,442,311</u>

The following summarizes the investment return and classification in the statement of activities and change in net assets for the year ended June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest income	\$ 7,326	\$204,438	\$ -	\$ 211,764
Dividend income	31,655	-	-	31,655
Net realized and unrealized losses	<u>(264,772)</u>	<u>-</u>	<u>-</u>	<u>(264,772)</u>
	<u>\$ (225,791)</u>	<u>\$204,438</u>	<u>\$ -</u>	<u>\$ (21,353)</u>

NOTE 8 - LINE OF CREDIT:

The Organization has an unsecured bank line of credit totaling \$74,950 at June 30, 2009. The line of credit has a maximum borrowing limit of \$100,000, with interest charged at the prime rate plus 3.0 percent (6.50 percent at June 30, 2009). The line of credit was repaid during August 2009.

NOTE 9 - LONG-TERM NOTES PAYABLE:

Long-term notes payable consist of the following at June 30, 2009:

0 percent note between State of Utah Olene Walker Housing Trust Fund and the Organization, payable in annual installments of \$1,200 beginning June 1, 2007 through June 1, 2037. Expected remaining principal balance of \$204,000 is due on June 1, 2037.	\$ 236,400
2.00 percent note between State of Utah Olene Walker Housing Trust Fund and the Critchlow, payable in monthly interest-only installments of \$50 for 360 months. Remaining principal and accrued interest balance is due December 1, 2028.	170,000
0 percent note between Salt Lake City Corporation and the Critchlow, payable in monthly installments of \$50 for 360 months, after which the balance will be renegotiated with Salt Lake City Corporation.	293,250

0 percent note between Salt Lake County HOME and the Critchlow, payable in monthly installments of \$50 for 360 months through 2018, after which the balance will be renegotiated with Salt Lake County HOME.

173,200

0.6615 percent note between ESIC New Markets Partners XXXIX, L.P., and YWBuilding Hope, with monthly interest payments beginning February 5, 2009. No prepayment of this loan is permitted before December 31, 2015. Beginning January 5, 2016, monthly principal and interest are required based on a 420-month amortization period. On December 17, 2038 the remaining principal and any remaining unpaid interest is due and payable in full. Secured by a trust deed on the property.

4,569,500

5,442,350

(2,400)

Less current portion

\$5,439,950

Future maturities of long-term notes payable are as follows:

Year ending June 30,

2010	\$ 2,400
2011	2,400
2012	2,400
2013	2,400
2014	2,400
Thereafter	<u>5,430,350</u>
	<u>\$5,442,350</u>

The Olene Walker Housing Trust Fund obligation is a zero percent loan that requires annual payments of \$1,200 beginning on June 1, 2007 and continuing for 30 years, with the remaining balance of \$204,000 due and payable on June 1, 2037. During the term of the agreement, if the Teen Home changes the policy of not charging rent to the residents of the Teen Home; or if there is a change in the use of the property, the note will be due and payable in full with accrued interest of eight percent per annum on the unpaid balance, from the date any changes are made. In July 2009, the Organization received approval for a change of use of the property from a Teen Home to provide additional domestic violence shelter for young mothers and their children. Management has established reserves to retire the obligation. The reserves are invested in a 15 month certificate of deposit. Management has restricted the use of the certificate of deposit for the note payments due in the future. At June 30, 2009, \$236,400 was due on the Olene Walker obligation.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes at June 30, 2009:

Building construction and improvements	\$13,415,862
Low-income housing	380,000
Specific program services	216,105
United Way allocations and designations for the Organization's next fiscal year	<u>377,247</u>
	<u>\$14,389,214</u>

The Organization received a \$200,000 grant from the Redevelopment Agency of Salt Lake City for use in the construction of the KRH. The amount will remain as a grant as long as the Critchlow abides by the terms and conditions as outlined in the Declaration of Covenants, Conditions, and Restrictions and the terms and conditions provided for in the development agreement, and the use of the KRH is devoted to low-income housing. If the Critchlow fails to abide by the restrictions, the grant of \$200,000 will convert to a loan with the following terms: The \$200,000 shall be immediately payable to the Redevelopment Agency of Salt Lake City together with interest on the principal at the rate of three percent per annum from the original date of the disbursement to the Organization.

The Organization received a \$180,000 grant from the Federal Home Loan Bank of Seattle (the Bank) to be used in the construction of the KRH. The grant will remain as such as long as the KRH remains in compliance with the regulations and conditions of the Bank's Affordable Housing Program (AHP). If at any time the KRH falls out of compliance with the AHP regulations and conditions under which the grant was approved, the Bank may recapture the grant funds from the Organization. As of June 30, 2009, the Critchlow was in compliance with all regulations and conditions.

NOTE 11 - PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets of \$318,863 consist of endowment fund investments, cash, and pledges receivable to be held indefinitely. The income is expendable to support the operations of the Organization. Realized and unrealized gains and losses are recorded as part of unrestricted net assets in the statement of activities and change in net assets.

Endowment fund activity is reflected in the following table:

Endowment fund, June 30, 2008	\$238,863
Contributions	<u>80,000</u>
Endowment fund, June 30, 2009	<u>\$318,863</u>

NOTE 12 - RETIREMENT PLAN:

Eligible employees participate in the employer sponsored cash balance defined benefit retirement plan (the Plan) after two years of employment. The Plan is a multiple-employer retirement plan administered by the YWCA Retirement Fund, Inc. Under the Plan, employees' benefits are 100 percent vested immediately. Currently, the Organization's contribution is 7.5 percent of the eligible employee's gross annual wages. The Organization's expense for the retirement fund was \$91,768 for the year ended June 30, 2009.

NOTE 13 - CONCENTRATIONS AND CREDIT RISK:

The Organization maintains accounts with several investment firms. The accounts contain cash and securities. Balances are insured by the Securities Investors Protection Corporation up to \$500,000 with a \$100,000 limit for cash.

The YWCA maintains its cash and cash equivalent balances at three financial institutions located in Salt Lake City, Utah. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The accounts are held by financial institutions that are well established and highly regarded. The YWCA has not experienced any losses related to these accounts and believes that it is not exposed to any credit risk.

Eighty-five percent of the balance of unconditional promises to give at June 30, 2009 is due from four donors.

ADDITIONAL INFORMATION

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2009

	YWCA	Critchlow	YWBuilding Hope	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 733,685	\$ 83,464	\$ -	\$ -	\$ 817,149
Receivables					
Grants and contracts	160,149	-	-	-	160,149
Affiliated company	51,633	-	-	(51,633)	-
Related party receivable	30,336	-	-	(12,952)	17,384
Rents and other receivables	4,251	1,364	-	-	5,615
Unconditional promises to give	1,851,198	-	-	-	1,851,198
Prepaid expenses	31,932	8,873	14,100	-	54,905
TOTAL CURRENT ASSETS	2,863,184	93,701	14,100	(64,585)	2,906,400
PROPERTY AND EQUIPMENT, net	3,102,452	2,297,190	4,065,143	(497,817)	8,966,968
OTHER ASSETS					
Developer note receivable	38,798	-	-	(38,798)	-
Long-term unconditional promises to give	1,633,602	-	-	-	1,633,602
Long-term investments	3,442,311	-	-	-	3,442,311
Note receivable, related party	10,430,500	-	-	(10,430,500)	-
Debt issuance costs, net	-	-	780,578	-	780,578
Cash restricted for property and equipment	-	-	10,564,667	-	10,564,667
Restricted tenant security deposits and replacement reserve escrow	-	36,527	-	-	36,527
Loans to affiliated company	380,000	-	-	(380,000)	-
Investment in affiliated company	913,457	-	-	(913,457)	-
TOTAL OTHER ASSETS	16,838,668	36,527	11,345,245	(11,762,755)	16,457,685
TOTAL ASSETS	\$ 22,804,304	\$ 2,427,418	\$ 15,424,488	\$ (12,325,157)	\$ 28,331,053
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 45,552	\$ 837	\$ 463,175	\$ -	\$ 509,564
Accrued liabilities	186,228	13,269	-	-	199,497
Line of credit	74,950	-	-	-	74,950
Affiliated company payable	-	51,633	12,952	(64,585)	-
Unearned revenue	8,008	4,151	-	-	12,159
Current portion of long-term debt	1,200	1,200	-	-	2,400
TOTAL CURRENT LIABILITIES	315,938	71,090	476,127	(64,585)	798,570
TENANT SECURITY DEPOSITS	-	7,620	-	-	7,620
LONG-TERM DEBT					
Long-term notes payable	235,200	635,250	15,000,000	(10,430,500)	5,439,950
Developer note payable	-	38,798	-	(38,798)	-
Accrued loan interest	-	32,437	-	-	32,437
Loans from affiliated organization	-	380,000	-	(380,000)	-
TOTAL LONG-TERM DEBT	235,200	1,086,485	15,000,000	(10,849,298)	5,472,387
TOTAL LIABILITIES	551,138	1,165,195	15,476,127	(10,913,883)	6,278,577
MINORITY INTEREST IN AFFILIATE	-	-	-	348,766	348,766
NET ASSETS					
Members' equity	\$ -	\$ 1,262,223	\$ -	\$ (1,262,223)	\$ -
Unrestricted					
Undesignated	1,278,672	-	(51,639)	(497,817)	729,216
Property and equipment	6,186,627	-	-	-	6,186,627
Board designated	79,790	-	-	-	79,790
Donor restricted					
Temporarily	14,389,214	-	-	-	14,389,214
Permanently	318,863	-	-	-	318,863
TOTAL NET ASSETS	22,253,166	1,262,223	(51,639)	(1,760,040)	21,703,710
TOTAL LIABILITIES AND NET ASSETS	\$ 22,804,304	\$ 2,427,418	\$ 15,424,488	\$ (12,325,157)	\$ 28,331,053

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS

Year ended June 30, 2009

	YWCA	Critchlow LLC	YWBuilding Hope QALICB	Eliminations	Total
CHANGES IN UNRESTRICTED NET ASSETS					
SUPPORT, REVENUES, AND GAINS (LOSSES)					
Contributions	\$ 276,191	\$ -	\$ -	\$ -	\$ 276,191
In-kind contributions	226,218	-	-	-	226,218
Government grants	1,537,469	-	-	-	1,537,469
Program service fees	500,230	-	-	(151,596)	348,634
Developer fee	497,817	-	-	(497,817)	-
Special events (less direct benefits to donors of \$72,168)	292,492	-	-	-	292,492
Loss on long-term investments	(225,791)	-	-	-	(225,791)
Membership dues	9,295	-	-	-	9,295
Rents and other revenue	10,532	343,675	-	-	354,207
Interest income	5,675	76	29,093	(4,427)	30,417
TOTAL SUPPORT, REVENUES AND GAINS (LOSSES)	3,130,128	343,751	29,093	(653,840)	2,849,132
NET ASSETS RELEASED FROM RESTRICTIONS	1,465,945	-	-	-	1,465,945
TOTAL SUPPORT, REVENUES, GAINS (LOSSES) AND NET ASSETS RELEASED FROM RESTRICTIONS	4,596,073	343,751	29,093	(653,840)	4,315,077
EXPENSES					
Women in Jeopardy	957,791	-	-	-	957,791
Lolie Eccles Child Care Center	577,977	-	-	-	577,977
Residential Self-Sufficiency	228,776	-	-	-	228,776
Diversity	128,918	-	-	-	128,918
KRH Supportive Services	323,091	-	-	-	323,091
The Critchlow	-	436,708	-	(157,278)	279,430
Teen Home	411,616	-	-	-	411,616
Prevention Education	149,910	-	-	-	149,910
Children's Advocacy and Intervention	462,978	-	-	-	462,978
Family Justice Center and Safe at Home Coalition	213,403	-	-	-	213,403
YWBuilding Hope	-	-	80,732	-	80,732
Management and general	278,049	-	-	-	278,049
Fundraising	312,129	-	-	-	312,129
TOTAL EXPENSES	4,044,638	436,708	80,732	(157,278)	4,404,800
INCREASE IN UNRESTRICTED NET ASSETS BEFORE MINORITY INTEREST	551,435	(92,957)	(51,639)	(496,562)	(89,723)
MINORITY INTEREST IN AFFILIATE'S LOSS	-	-	-	91,702	91,702
INCREASE IN UNRESTRICTED NET ASSETS	551,435	(92,957)	(51,639)	(404,860)	1,979
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS					
Contributions	812,182	-	-	-	812,182
Capital campaign contributions, plus discounts	553,344	-	-	-	553,344
Government grants	-	-	-	-	-
Income on long-term investments	204,438	-	-	-	204,438
Net assets released from restrictions	(1,465,945)	-	-	-	(1,465,945)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	104,019	-	-	-	104,019
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS					
Contributions	80,000	-	-	-	80,000
CHANGE IN NET ASSETS	735,454	(92,957)	(51,639)	(404,860)	185,998
NET ASSETS, BEGINNING OF YEAR	21,517,712	1,355,179	-	(1,355,179)	21,517,712
NET ASSETS, END OF YEAR	\$ 22,253,166	\$ 1,262,222	\$ (51,639)	\$ (1,760,039)	\$ 21,703,710

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

	<u>Federal CFDA Number</u>	<u>Pass- through Grant Number</u>	<u>2009 Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
<u>Direct Awards</u>			
Supportive Housing Program	14.235	UT01B600006	\$155,989
<u>Passed through Salt Lake County</u>			
Community Development Block Grant	14.218	BV03429C	9,750
Emergency Shelter Grant	14.231	BV08503C	14,000
<u>Passed through Salt Lake City Economic & Community Resources Division</u>			
Community Development Block Grant	14.218	71-5-07-2229	35,000
Emergency Shelter Grant	14.231	72-5-07-2175	27,924
<u>Passed through Sandy City</u>			
Community Development Block Grant	14.218	None	3,850
<u>Passed through West Valley City</u>			
Community Development Block Grant	14.218	None	2,250
<u>Passed through West Jordan</u>			
Community Development Block Grant	14.228	WJCD.33	<u>5,000</u>
Total U.S. Department of Housing and Urban Development			<u>253,763</u>

(1) Major Program

(continued)

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

(continued)

	<u>Federal CFDA Number</u>	<u>Pass- through Grant Number</u>	<u>2009 Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			

Passed through Volunteers of America

Transitional Housing for Homeless Youth	93.550	08CX0008/01	3,300
---	--------	-------------	-------

Passed through the Utah State
Department of Workforce Services

TANF	93.558	090960	20,936
------	--------	--------	--------

TANF	93.558	070972	24,096
------	--------	--------	--------

Child Care and Development Block Grant	93.575	082472	9,350
---	--------	--------	-------

Total U.S. Department of Health and Human Services			<u>57,682</u>
--	--	--	---------------

U.S. Department of Justice

Passed through the Utah Commission
on Criminal and Juvenile Justice

Crime Victim Assistance (1)	16.575	08-VOCA-80	113,880
-----------------------------	--------	------------	---------

Violence Against Women Formula grant	16.588	08-VAWA-49	15,908
---	--------	------------	--------

Violence Against Women Formula grant	16.588	07-VAWA-50	14,491
---	--------	------------	--------

Passed through Salt Lake County
Criminal Justice Services

Encourage Arrest Policies and Enforcement of Protection Orders	16.590	SE06122C Ext	19,218
---	--------	--------------	--------

(1) Major Program

(continued)

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

(continued)

	<u>Federal CFDA Number</u>	<u>Pass- through Grant Number</u>	<u>2009 Expenditures</u>
<u>U.S. Department of Justice (Continued)</u>			
<u>Passed through Salt Lake City</u>			
Encourage Arrest Policies and Enforcement of Protection Orders (1)	16.590	2008-WE-AX0017	<u>86,691</u>
Total U.S. Department of Justice			<u>250,188</u>
<u>U.S. Department of Agriculture</u>			
<u>Passed through the Utah State Office of Education</u>			
Child and Adult Care Food Program	10.558	ME-MEI-AN	<u>62,515</u>
<u>Department of Homeland Security-FEMA</u>			
<u>Passed through State of Utah Department of Community and Economic Development</u>			
Emergency Food and Shelter National Board Program	97.024	LRO-851000-013	<u>19,572</u>
Total			<u>\$643,720</u>
(1) Major Program			

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

NOTE A - GENERAL:

The schedule of expenditures of federal awards presents the activity of all federal award programs of the Young Women's Christian Association of Salt Lake City (YWCA). The YWCA reporting entity is defined in Note 1 to YWCA's financial statements. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other government agencies are included on the schedule.

NOTE B - BASIS OF ACCOUNTING:

The accompanying schedule of expenditures of federal awards is presented using grant accounting principles. Certain government and other grants require that an other comprehensive basis of accounting be followed. The differences from accounting principles generally accepted in the United States of America are as follows: acquisition of capital assets are recorded as expenses rather than being capitalized and depreciated and supporting services are reflected with program expenses rather than reflected separately.

NOTE C - SUB-RECIPIENTS:

The YWCA did not provide federal awards to sub-recipients.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

October 27, 2009

To the Board of Directors of
Young Women's Christian Association of Salt Lake City

We have audited the consolidated financial statements of the Young Women's Christian Association of Salt Lake City (the YWCA) as of and for the year ended June 30, 2009, and have issued our report thereon dated October 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the YWCA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financials statements, but not for the purpose of expressing an opinion on the effectiveness of the YWCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the YWCA's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YWCA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lake, Hill & Myers

► Lake, Hill & Myers

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

6695 South 1300 East
Salt Lake City, Utah 84121
Voice: (801) 947-7500 Fax: (801) 947-7609

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 27, 2009

To the Board of Directors of
Young Women's Christian Association of Salt Lake City

Compliance

We have audited the compliance of the Young Women's Christian Association of Salt Lake City (the YWCA) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The YWCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of YWCA's management. Our responsibility is to express an opinion on the YWCA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the YWCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the YWCA's compliance with those requirements.

In our opinion, the YWCA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the YWCA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the YWCA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the YWCA's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lake, Hill & Myers

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Summary of Auditors' Results

- i. The auditor issued an unqualified opinion on the consolidated financial statements of the Organization.
- ii. There are no material weaknesses in the internal control over the financial statements disclosed as a result of the audit of the financial statements.
- iii. The auditor noted no instances of noncompliance which are material to the financial statements of the Organization.

- iv. There are no material weaknesses in the internal control over major programs disclosed as a result of the audit of the financial statements.
- v. The auditor's report on compliance for the major federal award programs for the Organization expresses an unqualified opinion on all major federal award programs.
- vi. The auditor identified no findings reported under the caption of Audit Findings.
- vii. Major programs consisted of:

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
<u>United States Department of Justice</u>		
Administered by the Utah Commission on Criminal and Juvenile Justice		
Crime Victim Assistance	16.575	\$113,880
Administered by Salt Lake City		
Encourage Arrest Policies and Enforcement of Protection Orders	16.590	<u>86,691</u>
		<u>\$200,571</u>

- viii. The dollar threshold to distinguish Type A and Type B programs was \$300,000.
- ix. The Organization qualified as a low-risk auditee.

(continued)

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

(continued)

<u>Ref</u>	<u>Finding</u>
------------	----------------

There are no current year audit findings.

(continued)

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SALT LAKE CITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2008

(continued)

Ref

Finding

There were no prior audit findings.
